

## Latina Offshore Limited and Subsidiaries

# Consolidated Statements of Financial Position

As of December 31, 2018 and 2019

(In thousands of US dollars)

### Assets

	December 2019	December 2018
	Unaudited	Audited
Current assets:		
Cash and restricted cash	\$ 17,493	\$ 22,702
Due from related parties	42,602	31,687
Other accounts receivable	2,604	3,574
Prepaid expenses, net	423	1,868
Total current assets	<u>63,122</u>	<u>59,831</u>
Non-current assets:		
Jack ups and equipment, net	346,199	368,736
Deferred income taxes	16,693	10,560
Total non-current assets	<u>362,892</u>	<u>379,296</u>
Total assets	<u>\$ 426,014</u>	<u>\$ 439,127</u>

### Liabilities and Stockholders' equity

Current liabilities:		
Current portion of long-term debt	\$ -	\$ 305,687
Trade accounts payable	-	1,945
Due to related parties	5,079	9
Other accounts payables and accrued liabilities	7,464	9,227
Interest payable	6,071	7,329
Total current liabilities	<u>18,614</u>	<u>324,197</u>
Non-current liabilities:		
Long-term debt	<u>297,596</u>	<u>-</u>
Total liabilities	<u>316,210</u>	<u>324,197</u>
Stockholders' equity:		
Capital stock	180,712	180,712
Deficit	(70,908)	(65,782)
Total stockholders' equity	<u>109,804</u>	<u>114,930</u>
Total stockholders' equity and liabilities	<u>\$ 426,014</u>	<u>\$ 439,127</u>

**Latina Offshore Limited and Subsidiaries**  
**Consolidated Statements of Operations**

For the years ended December 31, 2018 and 2019

(In thousands of US dollars)

	December 2019	December 2018
	Unaudited	Audited
Continuing operations:		
Operating leases income	\$ 49,314	\$ 51,467
Operating cost	1,021	2,718
Depreciation of assets under operating leases	31,903	26,641
Gross profit	<u>16,390</u>	<u>22,108</u>
Others expenses, net	2	17
Interest expenses, net	27,506	28,550
Exchange loss, net	141	276
Loss before income taxes	<u>(11,259)</u>	<u>(6,735)</u>
Deferred income tax benefit	<u>(6,133)</u>	<u>(3,358)</u>
Consolidated net loss	<u>\$ (5,126)</u>	<u>\$ (3,377)</u>

# Latina Offshore Limited and Subsidiaries

## Consolidated Statement of Cash Flows

For the years ended December 31, 2018 and 2019  
(In thousands of US dollars)

	December 2019	December 2018
	Unaudited	Audited
Cash flows from operating activities:		
Consolidated net loss	\$ (5,126)	\$ (3,377)
Adjustments for:		
Deferred income tax benefit	(6,133)	(3,358)
Depreciation	31,903	26,641
Amortization of bond issuance costs	892	1,282
Loss on disposal of equipment	-	58
Exchange loss	141	276
Interest income	(1,624)	(1,568)
Interest expenses	28,238	28,836
	<u>48,291</u>	<u>48,790</u>
<b>Changes in working capital:</b>		
(Increase) decrease in:		
Due from related parties	(9,538)	12,596
Other accounts receivable	970	1,027
Prepaid expenses	1,445	(1,552)
Increase (decrease) in:		
Trade accounts payable	(1,945)	1,945
Due to related parties	4,733	(1,933)
Other accounts payable and accrued liabilities	(1,903)	1,153
Net cash flows by operating activities	<u>42,053</u>	<u>62,026</u>
Cash flows from investing activities:		
Purchase of Jack-ups and equipment	<u>(9,366)</u>	<u>(8,303)</u>
Net cash flows by investing activities	(9,366)	(8,303)
Cash flows from financing activities:		
Payments of long term-debt	(8,232)	-
Bonds issuance costs	(751)	(750)
Interest income	247	148
Interest paid	<u>(29,160)</u>	<u>(35,542)</u>
Net cash flows in financing activities	<u>(37,896)</u>	<u>(36,144)</u>
Net change in cash and restricted cash	(5,209)	17,579
Cash and restricted cash at the beginning of the year	22,702	5,123
Cash and restricted cash at end of the year	<u>\$ 17,493</u>	<u>\$ 22,702</u>